

**THE IMPACT OF WORKFORCE DIVERSITY IN  
ORGANIZATIONAL PERFORMANCE : A CASE STUDY OF  
NMB BANK TANZANIA**

**THE IMPACT OF WORKFORCE DIVERSITY IN ORGANIZATIONAL  
PERFORMANCE :  
A CASE STUDY OF NMB BANK TANZANIA**

**BY  
ANGELA KILEO**

**A Dissertation Submitted in Partial Fulfillment of the Requirements for award  
of the Degree of Master of Science in Marketing Management (MSC-MKT) of  
Mzumbe University.**

**2017**

## **CERTIFICATION**

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University, a thesis entitled *the impact of workforce diversity on the performance of microfinance institution in Tanzania, an experience from NMB Bank Tanzania* in partial fulfillment of the requirements for award of the Master of Science in Marketing Management (MSC-MKT) of Mzumbe University.

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**Major Supervisor**

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**Internal Examiner**

**Accepted for Mzumbe University, Dar es Salaam Campus College**

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## DECLARATION

I, **Angela Kileo** declare that this dissertation is my own original work and it has not been presented and will not be presented to any other University for a similar any other degree award.

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Date: \_\_\_\_\_

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May God bless all for the entire support.

## **ABBREVIATIONS**

NMB	-	National Microfinance Bank Limited
HRM	-	Human Resources Management
HRO	-	Human Resources Officer

## **ABSTRACT**

The study assessed impact of workforce diversity on the performance of microfinance institution in Tanzania. The variables such as education diversity, seniority diversity and specialisation diversity, age diversity, gender diversity and education diversity were assessed its contributions for organization performance.

The study employed descriptive research design. The targeted population were 250 staff working at Head Office NMB Bank Limited in Dar es Salaam. The study employed simple random sampling techniques and convenient non-probability sampling technique to select sample size. The sample size in this study were 71 staff working at National Microfinance Bank Head Office. The data was collected using survey questionnaire and interview. The data were analysed using content analysis, descriptive statistics and regression analysis. The researcher balanced two values which were the pursuit of scientific knowledge and the rights of those being studied to participate in the study to ensure ethical considerations.

The study found that employees gender diversity, employees age diversity, employees education diversity, employees seniority diversity and employees specialisation diversity has a positive contribution on performance of NMB Bank in Tanzania measured through bank perceived generating more profit over years.

The study concluded that NMB Bank has to promote the working diversities in their recruitment process in order to promote organization performance. The study recommended that NMB Bank Human Resources policies has to encourage culture of workforce diversities in order to promote performance of the bank.

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## CHAPTER ONE

### PROBLEM SETTING

#### 1.1 Introduction

With the increased globalization & competition the work force diversity has become increasingly heterogeneous. Advances in technology and the advent of a global economy which brought the people of the world at the same place closer to each other. Businesses, educational systems and other entities are investigating ways to better serve their constituents and to attract and retain the best and most qualified workers. It has become a challenge for modern organizations to efficiently manage such a diverse work force.

Maximizing and capitalizing on workplace diversity has become an important issue for management today. According to a study facilitated by the Society for Human Resource Management (SHRM) and Fortune magazine (2001), more than 75% of surveyed organizations have engaged in some type of diversity activity or initiative. Obviously it is important to understand how work group composition influences performance. It is still controversial to find an answer to whether work force diversity has a negative or positive impact on organizational performance.

Research related to diversity practice's impact on organizational performance remains lacking. However researches on work force diversity & its impact on performance claims that work force diversity is intrinsically good for organizations (Dessler, 2000; Rice, 1994; Sheridan, 1992).

While others found no direct relationship between workforce diversity & performance and it can be increased through organizational strategy, top level commitment, evaluation, efficient communication, need assessment & team building. It is also argued that organizations that value diversity will definitely cultivate success & have a future in this dynamic labour market. (Jain & verma,1996).

As Friedman & Amoo 2002, noted that the collective knowledge of organizations can be enhanced by including people with different experiences, training, racial & cultural differences. The main purpose of this study was investigating impact of workforce diversity on organizational performance.

## **1.2 Background to the Problem**

The workforce diversity plays significant roles in facilitating employees commitment in productivity. Most of the developed nations has been taking action in promoting workforce diversity in order to promote not only productivity but also facilitate all people regardless of their diversity contributes to performance of an organization (Baer et al, 2007).

The workforce diversity at Singapore was found to play significant roles in facilitating group performance (Choy, 2007). With globalization, european countries, diversity is considered important in human resources management and it contributes to employees satisfactions with work and performance.

The workforce diversity has been growing important strategies of human resources management in order to articulate performance. With globalization, developing countries cannot escape diversity management and capitalise it for employees and organizatio performance (Cohen & Bailey 2011). According to Cohen & Bailey (2011) developing cuntries has to capitalise workforce diversity in human resource management because they play significant roles in facilitating team work and group performance for organizations.

In developing country, cultural diversity has been highly considered important in recruitment of employees but evaluation in its role toward organization performance has not adequately investigated (Cohen & Bailey 2011). The workforce diversity in developing countries are considered important in promoting unity and avoiding segregation in work activities that contributes to some extent staff commitment toward work (Dahlin et al, 2005).

The workforce diversity in Africa has been defined in terms of narrowed and broader definition and it is considered important instrument in human resources management. It has been shown that the issues of diversity in Africa arised because of discrimination and exclusion of cultural groups from traditional organizations (Cohen & Bailey 2011). It was argued that if diversity is a concept that is inclusive to all individuals, it will become very difficult to identify discrimination practices. The broad definition of workforce diversity imply that all differences among people not the same and they have different capitalisation for the performance and growth of organization.

The problem in many African countries is narrowing the definition of workforce diversity based only on one dimension of cultural diversity (race, age, ethnicity, or gender) that affect capitalisation properly workforce diversity on performance of an organization (Michaéla et al, 2003). Erasmus ( 2007) argued that management of workforce diversity has significant impact on performance of organization in Africa. The organizations in many part of Africa are considering important of management of workforce diversity for the purposes of promoting better organization performance.

In Tanzania, the concept of workforce diversity is still important in management of human resources for an organization. According to Ndunguru (2010) workforce diversity plays significant roles for meeting properly addressing leadership challenges in Tanzania. The workforce human resources management is the only important instrument for addressing leadership challenges and contributing to proper organization performance. The firm in Tanzania has been valuing workforce diversity as instrument of human resources management but there is weakness in evaluating how does it contributes to employees and organization performance (Msumba, 2012).

Tanzania has more than 54 commercial banks that offer financial and banking services to Tanzania. In their efforts of providing banking and financial services it

depend upon staff with different diversities. The workforce diversities are considered to have significant impacts in promoting the performance of commercial banks in Tanzania (Msumba, 2012). The problem facing many commercial banks is utilising workforce diversity to promote the performance of banks in tanzania. One of the largest bank in Tanzania is National Microfinance Bank Limited. Since the problem is banks in Tanzania utilising the workforce diversities in promoting their performance has created a desire to undertake a study.

The National Microfinance Bank Limited has been playing significant roles in promoting workforce diversity in its recruitment process. The evaluation based on quality of employees to be recruited based on age, working experience, gender, education background, social and cultural characteristics are considered important in order to recruit staff who are capable to perform duties and responsibility of the bank. However, there were insufficient evaluation on workforce diversity and employees and organization performance. This study was conducted assessing the impact of workforce diversity on the performance of microfinance institution in Tanzania.

### **1.3 Statement of the Problem**

The organization in a competitive market focus on having the workforce that ensure organization remain competitive and perform better against their competitors. The organization has highly concerned with managing human resources properly so that they become productive for organization performance. For some business leaders and managers point of view workforce diversity is a big challenge to them although it has no organizational boundary and has no limitations (Dike, 2013).

The workforce diversity has been narrowed assessed in link with performance of organization. It has been observed that many studies assessed cultural diversity (age, sex and ethnicity) and organization performance (Ely & Thomas 2011). The broaders perspective of workforce diversity has inadequately assessed on its contributions for performance of organization in Tanzania. The variables such as

education diversity, seniority diversity and specialisation diversity have not adequately investigated showing its contribution for organization performance (Ndunguru, 2013). This imply there was a gap in that called the present study that focused on assessing impact of workforce diversity on the performance of microfinance institution in Tanzania

## **1.4 Research Objective**

### **1.4.1 Main Research Objective**

The main research objective was to assess impact of workforce diversity on organization performance.

### **1.4.2 Specific Research Objectives**

1. To examine the contribution of employees gender on performance of National Microfinance Bank in Tanzania
2. To determine the role of employees age on performance of National Microfinance Bank in Tanzania.
3. To determine the influence of employees education on performance of National Microfinance Bank in Tanzania.
4. To determine the influence of seniority diversity and specialisation diversity on performance of National Microfinance Bank in Tanzania.

## **1.5 Research Questions**

The following were research questions

1. What are the contribution of employees gender on performance of National Microfinance Bank in Tanzania?
2. What are the role of employees age on performance of National Microfinance Bank in Tanzania?
3. What are the influence of employees education on performance of National Microfinance Bank in Tanzania?
4. What are the influence of seniority diversity and specialisation diversity on performance of National Microfinance Bank in Tanzania?

## **1.6 Significance of the Study**

This dissertation contributes a broader understanding of relationship exists between workforce diversity and organizational performance. It takes into account evidence that determines such relationship empirically and making discussion on policy implications of that relationship, basing on the findings and recommendations of this study the policy makers are able to design policies that meet the needs of all employees regardless of their differences in order to ensure that organizational goals are achieved. Therefore, it has valuable contribution to the policy makers who have interest in finding out the effect of workforce diversity on organizational performance.

Areas for further study regarding workforce diversity identified in report of this study are likely to facilitate future researches on similar subject matter. Moreover, research findings of this study enriches the managers with the awareness about the appropriate ways of managing workforce with diverse backgrounds that deliver positive outcomes to their organizations. Also, the study contributes to the existing body of knowledge concerning the workforce diversity and its effects to the performance of organizations.

## **1.7 Scope of Study**

The study was carried out at National Microfinance Bank Limited in Dar es Salaam Head Office and staff working for National Microfinance Bank head office were adequately used by reseracher to collect data timely for accomplishen of the study. The study covered issues related how employees diversities on age, education, gender, seniority diversity and specialisation diversity had a contribution on performance of National Microfinance Bank Limited in Tanzania.

## **1.8 Organization of the study.**

This report is organised into five chapters covering introduction to the study problem at chapter one, literature review at chapter two, reserach methodologies at chapter three, presentation of results and discussions at chapter four and summary, conclusion and recommendations at chapter five.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter discusses the definitions of terms used, theoretical issues and Conceptual framework which are relevant to the research problem. Literature review explores what has been reported concerning workforce diversity in relation to organizational performance. Furthermore, it helps the researcher to determine what had been accomplished by other researchers. When the problem was not sufficiently addressed by others, the researcher was able to determine the knowledge gap between what was known and what was added to the research study.

#### **2.2 Definition of key concept**

##### **2.2.1 Workforce Diversity**

There is no single definition of workforce diversity because its scope is broad; it encompasses characteristics as well as experiences which exhibit identities of individuals in the organizations. Workforce diversity refers to the co-existence of employees from various socio cultural backgrounds within the company (Wentling & Palma-Rivas, 2000). Kreitner and Kinicki (2004) defined the workforce diversity as the multitude of differences and similarities exist among employees in the organization. Such similarities and differences depict the uniqueness of workers in the organization.

Workforce diversity should be understood as the varied perspectives and approaches members of different identity groups bring to the workplace (Mor Barak, 2011). In the workplace today not only diversity implies differences in people based on their identification with various groups, but it is also a process of acknowledging differences through actions (Mor Barak, 2011). From an Organizational point of view, Diversity is a practice of identifying and acknowledging individual and group differences and harnessing those differences on the basis of gender, age, ethnic

origin, religious beliefs and disability for the purpose of maintaining individual and group basic rights, increased productivity and welfare of employees (Ospina, 2001).

Broadly, the term workforce diversity refers to the composition of social units. It is useful to differentiating among various types of diversity, because different types of diversity may have different consequences. Relations-oriented diversity refers to the distribution of attributes that are instrumental in shaping interpersonal relationships. Age, gender and personality are examples of relations-oriented diversity.

Task oriented diversity refers to the distribution of attributes that are relevant to the team's work. Organizational tenure, formal credentials and titles and cognitive abilities are examples of task-oriented diversity. Readily-detected diversity refers to the differences among team members on attributes such as gender, age and nationality. Underlying diversity refers to differences among team members on attributes that generally become known only through interactions, such as personality, attitudes and skills (Mor Barak, 2011).

### **2.2.2 Organizational performance**

It refers to the extent to which an organization achieves a set of pre-defined targets that are unique to its mission. These targets included both objective (numerical) and subjective (judgmental) indicators (Albrecht, 2011). In this study organization performance was measured using recorded profits from the audited bank reports. The bank making profits over years imply it is performing while the bank that is making loss in its financial report implying it is not performing.

### **2.3 Theoretical Review**

This study used two theories to link between workforce diversity and organization performance. These theories are capability model and behavioral engineering model. According to Kostas (2007), the capabilities model extends the concept of core competencies, by utilizing the fit between a particular capability and an employee (Stalk, 1992). A capability is defined as a set, or a complex string of business

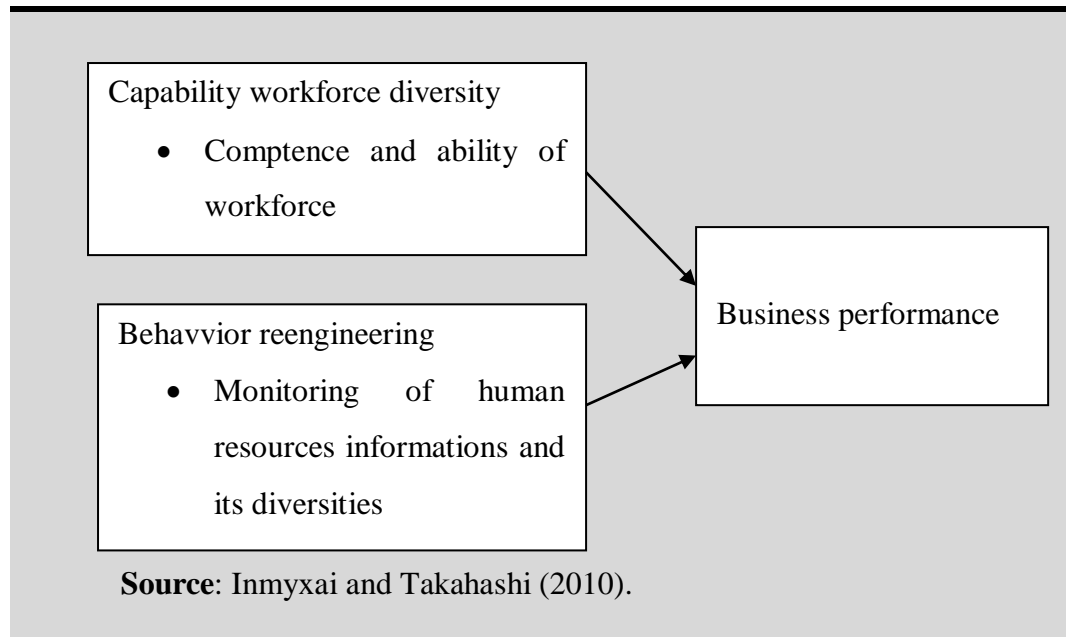
processes that deliver value to clients in a unique way. Therefore, diversity is based on using competencies people have in satisfying customer (Stalk, 1992).

The employees with different diversities tend to have different capacities that contribute to better performance of an organization. The organization that takes serious on issues of diversities they are likely to explore capacities from workforce that have an impact to organization performance. Therefore this model fit in this study because it has outline the workforce diversity has critical value to contribute on organization performance by utilising capacities of different workers with different diversities at workplace.

Based on Gilbert's (1978) classic behavior engineering model, it enables the HR professional to organize and to monitor key human resource attributes of the global organization. The model has three cells that correspond to the workplace environment (information, resources, incentives), and three cells that correspond to employee performance factors (knowledge, capacity, motives).

When planning for excellent performance, the focus is on employee factors, but general research has shown that when employees are adequately provided with information, resources and incentives, they are able to perform at exemplary levels. To engineer excellent performance Gilbert (1978), Rothwell (1996) and Wright and Geroy (1999), have suggested that most of the change would likely be found in employees diversity. Thus effective utilisation of employees diversity has a greater impact in promoting employees and organization performance. Figure 2.1 describe the model.

**Figure 2. 1: Capability model and behavioral engineering model**



## **2.4 Dimensions of Workforce Diversity**

Various scholars attempted a classification of workforce diversity differently, (Ashton, 2010) classified workforce diversity into two main dimensions namely Primary and Secondary dimensions. Garden-swartz and Rowe (1994) made a classification of workforce diversity into four layers that enable us to differentiate the manner in which individuals differ in the workplace. Through these layers personal identities can be well defined and influence how everyone views the World. Those layers of diversity written down by Garden-swartz and Rowe (1994) are the following;

### **2.4.1 Personality**

This layer is situated at the center due to the fact that it demonstrates stable set of characteristics which act as an identity of a person. Personality forms an integral part of the diversity wheel as it influences other three layers throughout the lifetime of the Individual.

### **2.4.2 Internal Dimensions**

This layer of workforce diversity is also called Primary or Surface–layer dimensions of workforce diversity. In most cases, these dimensions are out of our control due to the fact that they have strong influence on our attitudes and perceptions about others and consequently influence our behaviors. Ashton (2010) The Primary dimensions includes age, gender and sexual orientation exhibit main differences through which various individuals will be identified. These dimensions can be easily noticeable at the initial encounters.

### **2.4.3 External Dimensions**

This is the layer of workforce diversity; it is also referred to as the Secondary dimension of workforce diversity. It consists of external influences of which we able to control. Individual differences encompassed by the Secondary dimension includes; Religious affiliation, educational background, geographic location, income, work experience, Parental status, Marital status, Personal habits and others of the same consideration. Ashton (2010) put it clear that characteristics of the person in the Secondary dimension cannot be noticed at the first time but they can be recognized after several interactions between individuals. It requires different encounters to notice characteristics embedded in individuals due to the fact that there is a tendency of hiding behaviors even to change as time goes.

### **2.4.4 Organizational Dimensions**

This is the final layer of workforce diversity, it is composed of seniority, work location, Union affiliation, Management status, Functional level and others related to this dimension. The usefulness of this model that shows layers of workforce diversity is that, it includes the dimensions that shape and impact both the individual and the organization itself.

While the “Internal dimensions” receive primary attention in successful diversity initiatives, the elements of “External” and “Organizational” dimensions often

determine the way people are treated, who “fits” or not in a department gets the opportunity for development or promotions and who gets recognized.

A manager who wants to understand diversity and be an effective manager of a diverse team needs to pay attention to all these layers of diversity with the goal of using both differences and similarities to enrich the work environment and bring us close to our mission and ultimately to attain organizational performance (Kreitner & Kinicki, 2004).

### **2.5 Relationship between gender and organization performance**

According to Kochan et. al. (2002), the widespread adoption of such training programme expanded the concept of diversity and people begin to realize and recognize demographic differences such as gender are affecting the working relationship between workers and toward their performance.

Moreover, Jehn and Werner (1993) measures that diversity had a significant effect on group processes, but the nature of the effect depended on whether the diversity was in gender. Specifically, gender diversity increased constructive group processes. Last but not least, diversity- focused HR practices enhanced the positive effects of gender diversity on constructive group processes (Kochan et. al. 2002).

Besides that, Hack and Lammers (2008) suggest that managers need to be aware that there might be gender differences regarding the relative importance assigned to distributions and communication. This may imply different communication strategies for dealing with male and female subordinates as management tries to create an optimal environment of fairness. As a result, failure of communication among different gender may lead to unfavorable performance in an organization.

### **2.6 Relationship between age and organization performance**

According to Winnie (2008), youngsters who are their learning stage are more willing to learn new things and accept new ideas. Older people who have more life

experiences are more mature and possess better problemsolving skills. As an addition, the researcher also stated that the western findings suggested that the older and younger employees must come together to form coherent and viable corporate culture. These values possessed by different age groups can complement each other in companies and it tends to achieve better firm performance. In her study result, showed that different age groups provide different values for companies and these values can complement each other which improve companies performance.

## **2.7 Relationship between education and organization performance**

Organizational leaders implement educational diversity initiatives in efforts to motivate and encourage each individual to work effectively with others so that organizational goals are achieved (Gwendolyn, 2002). A person educational background can be a significant indicator of their knowledge, skills, and capability. Furthermore, the choice of a specific educational major may reflect ones cognitive strength and personality (Holland, 1997). For instance, an individual educated in computer science can be expected to have a somewhat different cognitive disposition than an individual educated in marketing or advertising (Hambrick and Mason, 2002).

As in functional expertise, dissimilarity in educational background seems to have a positive impact on team performance because it fosters a broader range of cognitive skills (Cohen and Bailey, 2001). Cohen and Levinthal (2000) contend that the absorptive capacity of the organization is likely to increase with variety in knowledge structures as reflected in diverse educational majors.

Jehn and Bezrukova (2004) observed that informational diversity, such as education and functional areas, were positively related to actual work group performances, although the relationship was mediated by task conflict. Carpenter and Fredrickson (2001) similarly reported that international experience and diverse educational background were positively related to firms global, strategic postures among top management teams.

## **2.8 Empirical Review**

The study conducted by Darwin & Palanisamy (2015) on the effects of work force diversity on employee performance in Singapore organisations. Workforce diversity has been identified as one of the strategic capabilities that will add value to the organizations over their competition. As Singapore is one of the most globally competitive countries, it attracts highly skilled and extremely innovative people to work here. Age, gender and ethnicity are the most commonly diversified demographic variables observed among the workforce of many organizations. Thus, the study focused on the effect of the workforce diversity in terms of age, gender and ethnicity. If the diversity of the workforce is properly managed, it will provide positive benefits. If not properly managed, however, it could lead to negative results. A self-administered questionnaire was used to collect the views of employees in both the manufacturing as well as the service industries in Singapore.

The reliability of the survey was tested by estimating Cronbach's alpha. The empirical relationship of age, gender and ethnicity of the employees with the performance was computed using Software Package for Social Science (SPSS). The analysis reveals that the three variables do not have a statistically significant impact on the performance of employees. Human resource programmes suggested by the employees to improve the effectiveness of workforce diversity was recommended.

Eugene et al (2011) studied on effects of workforce diversity towards the employee performance in an organization. Diversity is increasingly recognized and utilized as an important organizational resource in regards to whether the goal is to be an employer of choice, to provide excellent customer service, or to maintain a competitive edge. Workplace diversity is a multi-faceted concept that will continue to evolve as more industries move toward a global marketplace. It also has proven to have led to a perception of being fundamental for employee performance. This fundamental belief forces managers to embrace and comprehend the concept of workplace diversity, its barriers and benefits. The purpose of this research is to investigate the effect of work force diversify towards employee performance in an

organization which focus into air line industry. The research also focuses on workforce diversity which includes the gender, age, ethnic and education background of the employees which is the most critical variables among all the others. The investigation was done by distributing 300 questionnaire to the air line industry management team. The questionnaire results show that there is a significant impact on performance when different workforce is working in the airline industry.

Omankhanlen & Joshua (2011) carried out a study on impact of workforce diversity on organizational effectiveness: a study of a nigerian bank. It is generally recognized that there is diversity in the workforce of any enterprise, be it business, government, or civil society. This study therefore seeks to find out the impact of workforce diversity on organizational effectiveness using a Nigerian bank for the study. We used the Blau's 1977 index of heterogeneity to measure the diversity index. While asset growth for the year 2008 and 2009, using 2007 and 2008 as base year was used to measure the growth strategy. To determine group diversity and performance outcomes moderated by workgroup context, a series of hierarchical regression analysis were conducted.

The study finds significant correlation between some of the diversity variables as well as individual diversity variables with the measures of organizational effectiveness. Also it reveals that gender and ethnicity are negatively related to both employee productivity and performance bonus. In addition the study find that gender, age and tenure diversities are positively correlated and are significantly related. It is recommended that company executives use good strategies to effectively manage workforce diversity and collaborative research efforts should be done to ascertain the contextual variables that moderate workforce diversity to produce positive performance outcomes.

The study conducted by Marrenda (2016) on investigation of the effect of workforce diversity on organizational performance in the Tumaini University Dar es Salaam College (TUDARCo). The study was carried out at TUDARCo whereby there are

several factors that can effect performance of the employee in that organization, but this research includes the most serious variables among all the others such as gender, age and ethnicity as forecaster variables of employee performance in an organization. The interview guide questions, questionnaires and observation were employed to capture necessary information from respondents concerning the problem. The study findings revealed that, there are some advantages harnessed by embracing workforce diversity, these include; presence of good team performance, increasing the capacity of the organization in problem solving and brings innovation to the organization. However, there are some limitations of workforce diversity facing the organization. The performance of an organization is affected adversely by workforce diversity due to the increasing rate of labor turnover and absenteeism. Also, there are various costs associated with workforce diversity as different employees such as pregnant women need environment to suit them at the workplace.

The employees also do not accept the differences of their fellow employees. In order to achieve optimal results of workforce diversity, measures taken by the organization include provision of diversity training. The study recommends that; the employee's differences should be acknowledged and valued, establishing other policies apart from the laws of the country, aggressive diversity training on frequent basis to build awareness to the employees about differences of individuals at the workplace and how to handle them.

## **2.5 Reserach Gap**

The study conducted by different reserachers has narrowed the concept of workforce diversity based on cultural diversity particularly age, gender and ethernity in assessing its effects on organization performance. The broaders perspective of workforce diversity has inadequately assessed to observe its contributions for organization performance partcularly in Tanzania. The variables such as education diversity, seniority diversity and specialisation diversity have not adequately investigated on its contribution for organization performance. This present study was conducted to add education diversity, seniority diversity and specialisation diversity

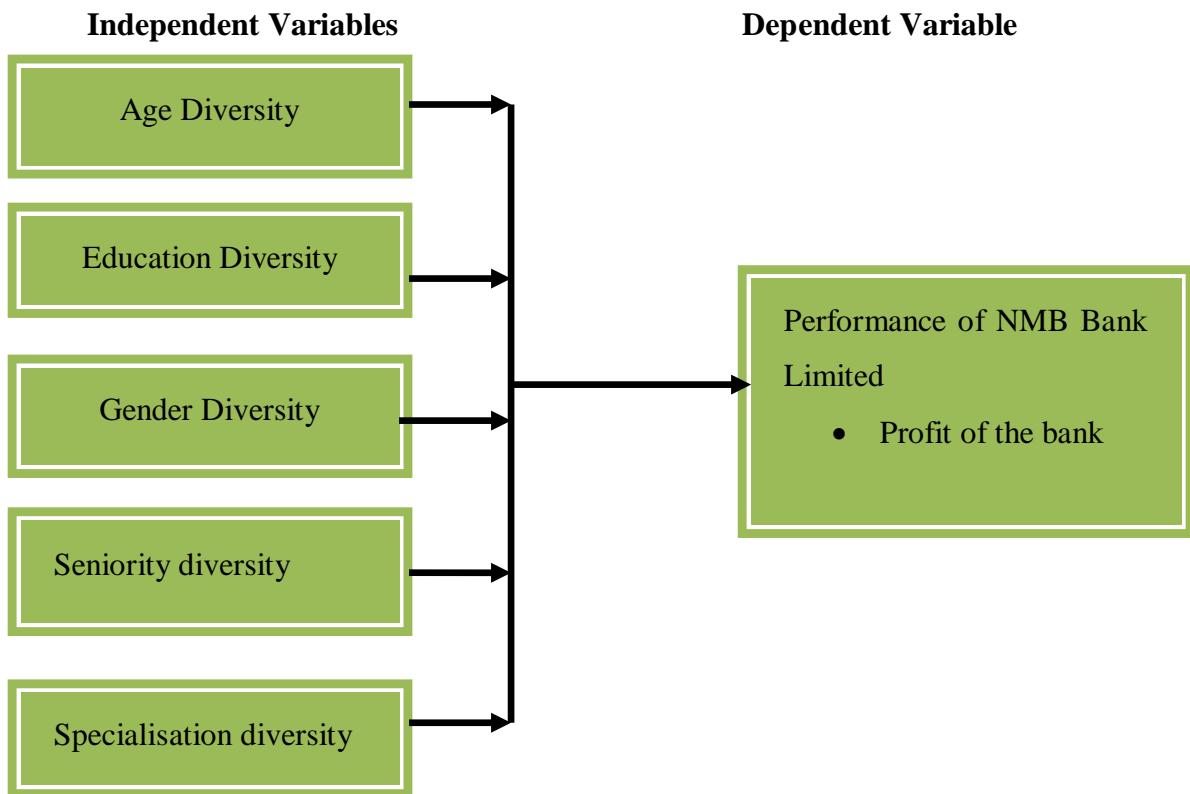
with age and gender in order to get a comprehensive analysis on assessing its impact on the performance of microfinance institution in Tanzania.

## **2.6 Conceptual Framework**

The Conceptual framework guides the research; it shows presumed results of workforce diversity on organizational performance. Further, it demonstrates variables the researcher interested with that are workforce diversity as an independent variable and organizational performance which is a dependent variable. The conceptual model of this study suggests that, embracing employees with diverse backgrounds may bring either positive or negative outcomes Organizational Performance. However, both good and poor organizational performances are resultant outcomes of how the diverse manpower is managed (Author, 2015).

The study assumes that cultural diversity (age and sex) positively predict organization performance. The study also assume that education, seniority and specialisation diversities plays significant roles in predicting the performance of National Microfinance Bank Limited in Tanzania. The description of the conceptual framework is captured at figure 2.2.

**Figure 2. 2: Conceptual framework**



**Source: Researcher, 2017.**

### **2.6.1 Hypothesis Formulation from Conceptual Framework**

In the current proposed study, performance of NMB Bank Limited is the dependent variables. Meanwhile age diversity, education diversity, gender diversity, seniority diversity and specialisation diversity are the independent variables. Thus, our hypothesis was that there were significant relationship between these dependent variables and independent variables.

H1: There are significant relationship between age diversity, education diversity, gender diversity, seniority diversity and specialised diversity and performance of National Microfinance Bank Limited in Tanzania

## 2.6.2 Measurement of Variables

Measurement of variables involve assigning numeral number to the variable that used in the study based on specific rules set. The following table summarise measurement of variable that will be used in this study.

**Table 2. 1: Measurement of variables**

<b>Variable</b>	<b>Measurement</b>	<b>Scale of measurement</b>
<b>Age diversity</b>	The age diversity was measured through range of years employees have since date of birth to the date of the study. The reseracher was able to select his/her age based on interval age that belong for him/her	Interval scale of measurement
<b>Education diversity</b>	The education diversity was measured by number of years one attended the schooling	Nominal Scale of measurement
<b>Gender diversity</b>	The gender diversity was measured by looking on sex categories of staff working at National Microfinance Bank Limited	Nominal Scale of measurement
<b>Seniority diversity</b>	The seniority diversity was measured by seniority ranking of staff at an organization. In seniority staff were measured in three levels which are junior level (between 1-7 years), senior level (7-10 years) and Principal level (above 10 years)	Ordinal Scale of measurement
<b>Specialised diversity</b>	The specialised diversity was measured through professional categorisation among staff working at National Microfinance Bank Limited	Nominal Scale of measurement
<b>Performance of NMB Bank</b>	The performance of National Microfinance Bank measured by amount of money reported as the profit in each financial years	Nominal scale

**Source: Researcher Design (2017)**

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1: Introduction**

The reserach work requires the most suitable techniques or methods to come out with an accurate result. To complete this research, methodologies was developed to refine the study, that enabled researcher to generate information needed. It was important to have a well-designed research methodology as the degree of accuracy and usefulness of a research directly affected by the methodology. Research methodology was an important part for research study.

Therefore, in chapter three, researcher discussed how the research was carried out. It included research design, study population, Sample and sampling design, data collection methods, data analysis, reliability and validity and ethical issues in the study.

#### **3.2 Reserach methodology.**

The study employed descriptive reserach design. The descriptive research was the one that describes characteristics of objects, people, groups, organizations, or environments. It addresses who, what, where, why, and how questions. Descriptive studies are conducted with a considerable understanding of the situation being studied. The research was conducted on the variables that lead to assessing its impact on organization performance.

A good research design ensures that the information collected is relevant and useful to conduct research project more effectively and efficiently (Kothari, 2004). The variable such as workforce diversity in human resources management as proposed by McComick (2007) was analysed in this study to investigate its impact on performance of National Micrifinance Bank Limited in Tanzania.

### **3.3 Targeted study population.**

The targeted staff population were staff working with National Microfinance Bank Limited at Head Office. The Bank has total number of 250 staff working working at Head Office in Dar es Salaam. Therefore, the targeted study population were 250 staff who are working with National Microfinance Bank at Head Office in Dar es Salaam. The targeted population was staff at Head Office because all departments were found at Head Office thus staff working in all departments were obtained at there and not branches.

### **3.4 Sample and sampling design**

According to the Sekaran (2003), sample was defined as subgroup or subset of the population. Besides, it also was defined as a set of respondents selected from a larger population for the purpose of a survey.

#### **3.4.1 Sample Frame**

A sampling frame is the list of elements from which the sample may be drawn from the appropriate population. In this study people to be employed as sample in this study must possess the following characteristics (i) they must be staff working with National Microfinance Bank Limited (ii) they must be working with NMB Bank limited at head office NMB (iii) they must be currently working with the National Microfinance Bank Limited head office.

#### **3.4.2 Sampling Techniques**

The study employed simple random sampling techniques and convenient non-probability sampling technique. The simple random sampling was used to select bank officers who were working with the bank. The reseracher prepared papers written from number 1 to 10 and distribute to targted population. Therefater, the three numbers was selected randomly and ask the population to open the paper and read the number they had selected. Those who matched with the number selected randomly formed the sample of this study. The purposes of using simple random

sampling was because it was easy to manage, it gives chance all participants used in the study and it avoided biasness of inclusion of people.

The study employed convenient sampling technique to select the sample of head of department and management members who were interviewed in this study. The researcher used this method because it gives chance for researcher select participants who are real active to answer the questions in time manner

### 3.4.3 Sample Size

According to Zikmund, (2003) sample size was obtained by well recognised formula scientifically. He proposed that non complex studies should use simple infinite formula to calculate sample size.

$$n = \frac{N}{1 + N(\lambda)^2}$$

Where

n is a sample size

N is a targeted study population (250)

$\lambda$  is the level of accuracy prediction (10%)

Thus

$$n = \frac{250}{1 + 250(0.1)^2}$$

$$n = \frac{250}{3.5}$$

$$n = 71.4.$$

Therefore, the sample size in this study were 71 staff working at National Microfinance Bank head office that included management staff and normal staff who will be selected out of targeted population of 250 staff at head office. The sample size of 71 staff was satisfactory for analysing the study problem because they were more

than 28% of the total population. Kothari (2004) suggested that sample size should range from 5 to 30% of the total population thus sample of 71 of the total population 250 were within the range suggested by Kothari (2004).

### **3.5 Data collection Procedures**

The study understand that there were two types of data that can be collected. They are primary data and secondary data. The primary data are those data collected directly from the field and secondary data are data collected from already documented and published materials. In this study, primary data was the only focused. According to Adam & Kamuzora (2008) primary data can be collected by different methods but the most common are survey questionnaire, interview, observation, focus group and investigations. In this study, the data was collected using survey questionnaire and interview.

#### **3.5.1 Survey Questionnaire**

Survey questionnaire is the method of data collection where surveyors prepares a set of questions through questionnaire instrument that can be in form of open ended or closed questions and administered to surveyed participant for the sake of answering according to the instructions.

In this study questionnaire instrument had both open ended or closed questions. The questionnaire was administered to NMB staff who were in banking operations such as Bank tellers, Customer Service Officers and Back Office Officers. These staff were administered questionnaire when they were less busy and they were able to brings higher return over. The purpose of using questionnaire was to ensure the respondent were free to answer question depending on their understanding and the sametime it was affordable and easy to be administered in the study.

### **3.5.2 Interview**

The interview was administered to Heads of sections such as Head of departments, Senior Managers, Branch Managers, and Human Resources Business Partners where data were collected by interrogative between researcher and participants. The questionnaire was administered to Human Resources Business Partner, Credit Officer Team Leaders and Head of Operation at Head Office because they had high level information related to the recruitment and selection of staff based on diversities that add value to probe explanation relating to different answers that was obtained from them. The study used face to face interview guided with interview guide to collect data from the Senior Managers of National Microfinance Bank Limited in Dar es salaam Tanzania. The advantage of this method was that it enabled researcher to get more clarification to the questions related with work diversity and performance of National Microfinance Bank Limited.

### **3.6 Data Analysis**

The study collected both qualitative and quantitative data. For the qualitative data, the study employed content analysis. The content analysis is the types of qualitative data analysis that allow the researcher to analyse all information obtained from the interviewed participants based on the content of research objectives. This add value in answering the questions of the research objectives. The quantitative data was analysed using descriptive statistics and regression analysis. The study tested hypothesis and the best strategy to do it was to run regression analysis. In order to enable doing it all the data that was collected through questionnaire was coded in numbers that enabled researcher to carryout descriptive statistics analysis that gave the information obtained presented in terms of frequency of observations, percents, mean and standard deviation. Also the study used pearson correlation analysis and regression analysis in order to test hypothesis of this study.

### **3.7 Reliability and validity**

After designing the questionnaire, reliability and validity analysis was done to ensure measurements were reliable for the research. Pilot test was a survey which was done

on a small group of respondents to make sure the questions being asked in the questionnaire were reliable and valid. The participants were asked to comment and suggest changes to the questionnaire. Most of the feedbacks that was directed to the comprehensibility of items; was modified to improve its clarities. Pilot test was minimizes the mistakes in the questionnaire as well as the difficulties before making progress to distribute it to targeted respondents which made the data collected be reliable and valid.

### **3.8 Ethical consideration**

As suggested by Saunders et al (2007) that ethical consideration issues were the concerns, dilemmas, and conflicts that arised over the proper way to conduct research. Ethics in research activities was concerned with what was moral research procedure involves when conducting the study. Therefore to ensure ethical considerations during the process of conducting this study, the researcher balanced two values which were the pursuit of scientific knowledge and the rights of those being studied or of others in society to participate in the study. The respondent were given chance to have right to participate in the study or not.

## **CHAPTER FOUR**

### **PRESENTATION OF FINDINGS AND DISCUSSIONS**

#### **4.1 Introduction**

The study assessed the impact of workforce diversity on organization performance. The issues related with employees characteristics and specific themes of the study was presented, analysed and discussed in this study. The specific themes such as examining the contribution of employees gender on performance of National Microfinance Bank in Tanzania, determining the role of employees age on performance of National Microfinance Bank in Tanzania, determining the influence of employees education on performance of National Microfinance Bank in Tanzania and determining the influence of workforce diversity (seniority diversity and specialisation diversity) on performance of National Microfinance Bank in Tanzania was presented and discussed in this study.

#### **4.2 Background information of participants**

The background information of participants presents the characteristics of participants who were used to answer the research questions and their working experiences and department. This information was very important to define the ability of participants to answer research questions.

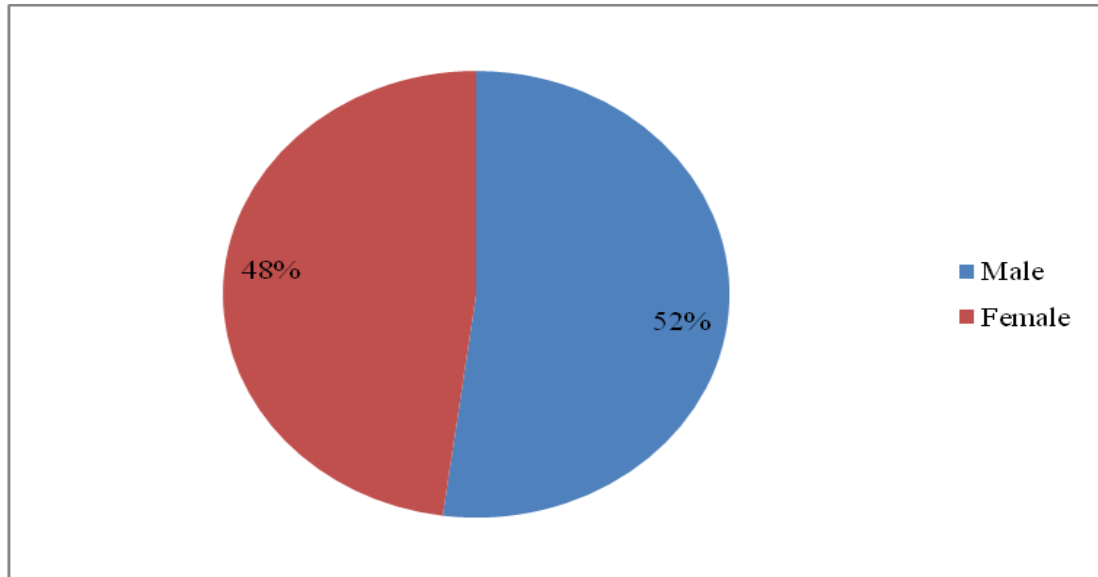
##### **4.2.1 Gender of participants**

The study examined gender status of participants. Gender is an important variable on employees diversity. The participants of people with different gender status imply there were no biasness among people with different gender. The study found that 52% of participants were male and 48% of participants were female (see figure 4.1)

The result implies that staff at NMB Head Quarter are both male and female. This indicates that the employment and recruitment policy of NMB Bank allows recruitment of employees regardless their gender status. In addition to that based on this study participation of male and female was very important because gender was

important variable when assessing impact of workforce diversity on organization performance.

**Figure 4. 1: Gender status of participants**



**Source: Survey Data, 2017**

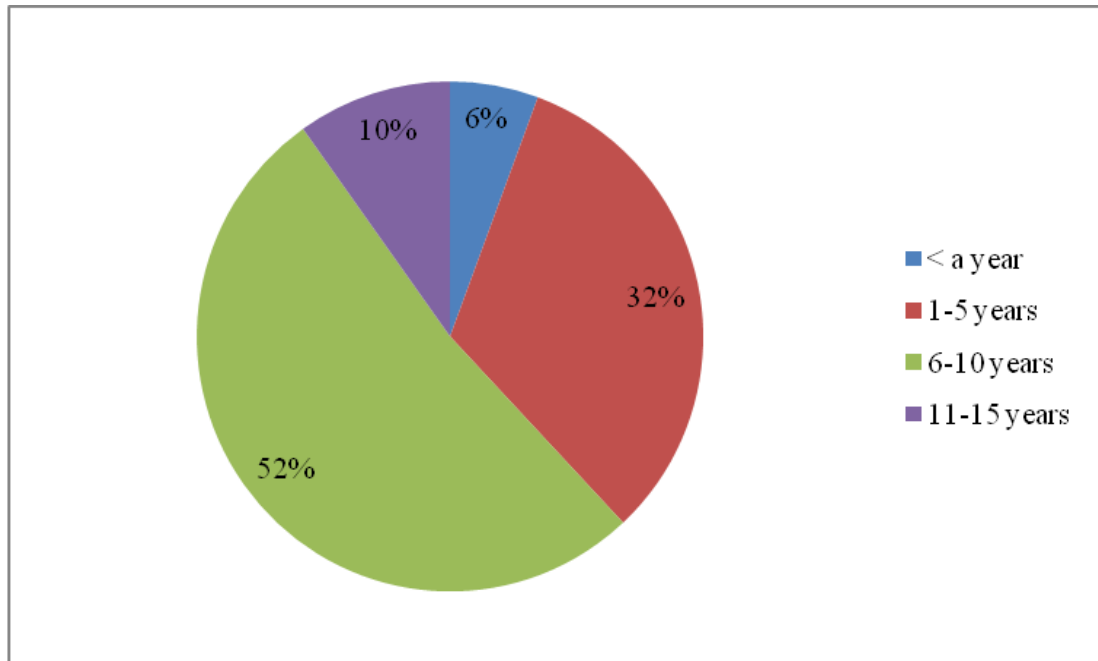
#### **4.2.2 Working experience of participants**

The working experience plays significant roles for staff knowing if an organization has been implementing the issues of diversities more critically and know the impacts does it bring on employees and organization performance.

The study found that 52% of participants had working experience of 6-10 years at NMB Bank, 32% had working experience 1-5 years at NMB Bank, 10% had working experience 11-15 years at NMB Bank and 6% had working experience of less than a years working with NMB Bank (see figure 4.2).

The findings imply that participants had different working experience ranging from less that a year to 11-15 years working with National Microfinance Bank in Tanzania. Their working experience added advantages on assessing the impact of workforce diversity on organization performance.

**Figure 4. 2: Working experience of participants**



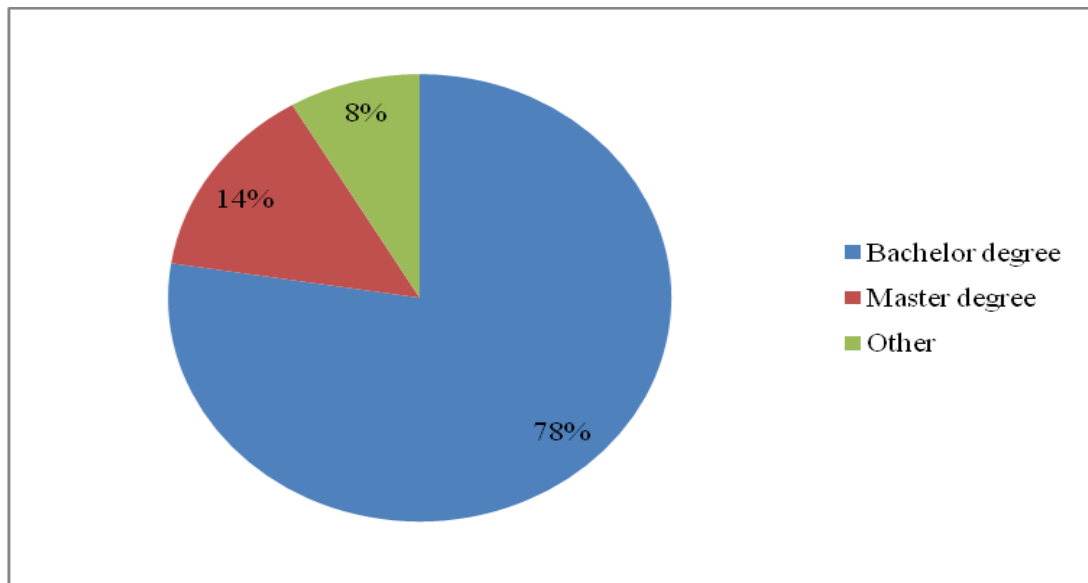
**Source: Survey Data, 2017**

#### **4.2.3 Education qualifications of participants**

The education qualification of participants was very important in this study because it shows the skills and knowledge participants had attained in their life until the period when this study was done. The education demonstrate the ability of people to be able to answer the reserach questions.

This study found that 78% of participants had bachelor degree, 14% had masters degree and 8% had other education (see figure 4.3). This shows that large percent of staff who are working at NMB Head Office have bachelor degree and masters degree education level and very few had other education category. The study shows that most of participants had formal education and they have reached to university education which added advantages of knowing workforce diversities and be able to answer the questiona properly in assessing the impact of workforce diversity on organization performance.

**Figure 4. 3: Education qualification of participants**



**Source: Survey Data, 2017**

#### **4.4 Working department among participants**

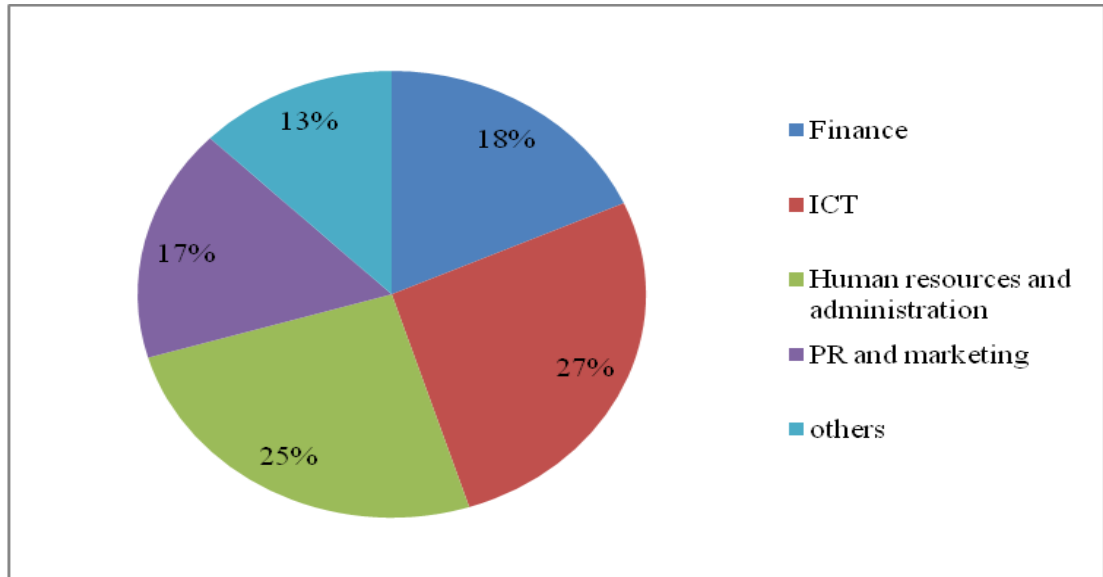
Different departments in an organization play significant roles toward performance of that organization. The staff working in each department and sections play a vital role in facilitating performance of an organization. The staff who are working in different departments have an ability to demonstrate the impact of workforce diversity on organization performance.

This study found that 27% of participants were working in Information and Communication Technology department at NMB Head Office, 25% of participants were working in Human Resources department, 18% of participants were working in finance department, 17% of participants were working in Public Relation (PR) and marketing department and 13% of participants were working in other departments at NMB Bank Head Office (see figure 4.4).

The findings imply that participants were working into different departments at NMB bank Head Office and their participation in this study added value in assessing properly the impact of workforce diversity on organization performance. The

participant who are working different department have different knowledge when assessing value of diversity on promoting organization performance.

**Figure 4. 4: Department participants are working at NMB Bank head office**



Source: Survey Data, 2017

#### **4.3 The contribution of employees gender on performance of National Microfinance Bank in Tanzania**

The study assessed the contribution of employees gender on performance of microfinance Bank Limited in Tanzania. The study assessed various contribution of employees gender on performance of NMB bank. The study employed descriptive statistics and regression analysis in order to reach into conclusions on contribution of of employees gender on performance of microfinance Bank Limited in Tanzania. The table 4.1 represent the result obtained from the field.

**Table 4. 1: Contribution of employees gender on MB performance**

	% Disagree	% Neutral	% Agree	Mean	Std. Deviation
During the recruitment process, the employees were not discriminated based on gender at NMB bank	11.2	8.5	80.3	3.83	1.042
The organization always prepare good environment for attracting both male and female	14	8.5	77.5	3.79	1.094
There are fair treatment for both male and female at NMB bank	7	5.6	87.4	4.03	0.861
There is equal opportunity for growth and development of male and female employees at NMB bank	14.1	8.5	77.4	3.86	1.175
There is higher encouragement for carrier development for both male and female employees at NMB bank	18.4	9.9	71.7	3.85	1.283
Both male and female employees involves in decision making for the bank	7	4.2	88.8	4.03	0.894
I am very positive on employees gender diversity at NMB bank	12.6	7	80.4	3.92	1.118

**Source: Survey Data, 2017**

Table 4.1 found that 80.3% of participants agree that during the recruitment process, the employees were not discriminated based on gender at NMB bank that has a significant contribution on performance of NMB Bank in Tanzania, 8.5% were undecided on it, 11.2% of participants disagreed on it. Since the findings shows that 80.3% of participants agreed on during the recruitment process, the employees were not discriminated based on gender at NMB bank that has a significant contribution on performance of NMB Bank in Tanzania while 11.2% of participants disagreed on it we can conclude that during the recruitment process, the employees were not discriminated based on gender at NMB bank that as a significant contribution on performance of NMB Bank in Tanzania

In addition to that the study also found that the mean score value 3.83 and standard deviation 1.042 (see table 4.1) imply that participants in average agree that during the

recruitment process, the employees were not discriminated based on gender at NMB bank that as a significant contribution on performance of NMB Bank in Tanzania.

Table 4.1 revealed that 77.5% of participants agree that organization always prepare good environment for attracting both male and female has a significant contribution on performance of NMB Bank in Tanzania, 8.5% were undecided on it and 14.1% of participants disagreed on it. Since the findings shows that 77.5% of participants agreed on organization always prepare good environment for attracting both male and female has a significant contribution on performance of NMB Bank in Tanzania while 14.0% of participants disagreed on it, we can conclude that organization always prepare good environment for attracting both male and female has a significant contribution on performance of NMB Bank in Tanzania

In addition to that the study also found that the mean score value 3.79 and standard deviation 1.094 (see table 4.1) imply that participants in average agree that organization always prepare good environment for attracting both male and female has a significant contribution on performance of NMB Bank in Tanzania.

Table 4.1 found that 87.4% of participants agree that there are fair treatment for both male and female at NMB bank that has a significant contribution on performance of NMB Bank in Tanzania, 5.6% were undecided on it and 7% of participants disagree on it. The findings indicates that 87.4% of participants agreed on there are fair treatment for both male and female at NMB bank that has a significant contribution on performance of NMB Bank in Tanzania while 7.0% of participants disagreed on it, we can conclude that there are fair treatment for both male and female at NMB bank that has a significant contribution on performance of NMB Bank in Tanzania

In addition to that the study also found that the mean score value 4.03 and standard deviation 0.861 (see table 4.1) imply that participants in average agree that there are fair treatment for both male and female at NMB bank that has a significant contribution on performance of NMB Bank in Tanzania.

Table 4.1 revealed that 77.4 % of participants agree that there is equal opportunity for growth and development of male and female employees at NMB bank that has a significant contribution on performance of NMB Bank in Tanzania, 8.5% were undecided on it, 14.1% of participants disagreed on it. Since the result shows that; 77.4% of participants agreed on that there is equal opportunity for growth and development of male and female employees at NMB bank that has a significant contribution on performance of NMB Bank in Tanzania while 14.1% of participants disagreed on it, we can conclude that that there is equal opportunity for growth and development of male and female employees at NMB bank that has a significant contribution on performance of NMB Bank in Tanzania

In addition to that the study also found that the mean score value 3.86 and standard deviation 1.175 (see table 4.1) imply that participants in average agree that that there is equal opportunity for growth and development of male and female employees at NMB bank that has a significant contribution on performance of NMB Bank in Tanzania.

Table 4.1 revealed that 71.7% of participants agree that there is higher encouragement for carrier development for both male and female employees at NMB bank that has a significant contribution on performance of NMB Bank in Tanzania, 9.9% were undecided on it and 18.4% of participants disagreed on it. Since the result shows that, 71.7% of participants agreed on that there is higher encouragement for carrier development for both male and female employees at NMB bank that has a significant contribution on performance of NMB Bank in Tanzania while 18.4% of participants disagreed on it, we can conclude that that there is higher encouragement for carrier development for both male and female employees at NMB bank that has a significant contribution on performance of NMB Bank in Tanzania.

In addition to that the study also found that the mean score value 3.85 and standard deviation 1.283 (see table 4.1) imply that participants in average agree that that there is higher encouragement for carrier development for both male and female

employees at NMB bank that has a significant contribution on performance of NMB Bank in Tanzania.

Table 4.1 shows that; 88.8% of participants agree that both male and female employees involves in decision making for the bank that has a significant contribution on performance of NMB Bank in Tanzania, 4.2% were undecided on it and 7.0% of participants disagreed on it. Since the result shows that; 88.8% of participants agreed on both male and female employees involves in decision making for the bank that has a significant contribution on performance of NMB Bank in Tanzania while 7.0% of participants disagreed on it, we can conclude that both male and female employees involves in decision making for the bank that has a significant contribution on performance of NMB Bank in Tanzania.

In addition to that the study also found that the mean score value 4.03 and standard deviation 0.894 (see table 4.1) imply that participants in average agree that both male and female employees involves in decision making for the bank that has a significant contribution on performance of NMB Bank in Tanzania.

Table 4.1 indicates that; 80.4% of participants agree that staffs are very positive on employees gender diversity at NMB bank that has a significant contribution on performance of NMB Bank in Tanzania, 7.0% were undecided on it, 12.6% of participants disagreed on it. Since the result shows that; 80.4% of participants agreed on staffs are very positive on employees gender diversity at NMB bank that has a significant contribution on performance of NMB Bank in Tanzania while 12.6% of participants disagreed on it, we can conclude that staffs are very positive on employees gender diversity at NMB bank that has a significant contribution on performance of NMB Bank in Tanzania.

In addition to that the study also found that the mean score value 3.92 and standard deviation 1.118 (see table 4.1) imply that participants in average agree staffs are very positive on employees gender diversity at NMB bank that has a significant

contribution on performance of NMB Bank in Tanzania. On the other hand the study conducted simple linear regression analysis to investigate contribution of all independent variable on performance of NMB Bank in Tanzania. The study found that R-square 0.355 (see summary table) implying that employees specialisation diversity, employees gender diversity, employees age diversity, employees seniority diversity and employees education diversity has ability to explain the bank profit by 35.5% while the remaining 64.5% are explained by other variables that were not used in this study.

The study found that the employees gender diversity has coefficient 0.241, t-value 2.186 and p-value 0.032 (see coefficient table) implying that employees gender diversity has a positive contribution on Bank Profit and positive contribution on Bank Profit is statistically significant because the p-value is less than 0.05.

**Table 4. 2a: Model summary**

<b>Model Summary</b>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.594 <sup>a</sup>	.355	.290	1.183
a. Predictors: (Constant), Employees specialisation diversity, Employees gender diversity, Employees age diversity, Employees seniority diversity, Employees education diversity				

**Source: Survey Data, 2017**

**Table 4.2b: ANOVA Regression Output**

<b>ANOVA<sup>a</sup></b>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.746	5	3.349	2.392	.047 <sup>b</sup>
	Residual	91.001	65	1.400		
	Total	107.746	70			
a. Dependent Variable: Bank Profit						
b. Predictors: (Constant), Employees specialisation diversity, Employees gender diversity, Employees age diversity, Employees seniority diversity, Employees education diversity						

**Source: Survey Data, 2017**

**Table 4.2c: Regression Coefficient Output**

Model	Coefficients <sup>a</sup>			t	Sig.
	Unstandardized Coefficients		Standardized Coefficients Beta		
	B	Std. Error			
1 (Constant)	1.398	1.117		1.251	.215
Employees gender diversity	.241	.110	.255	2.186	.032
Employees age diversity	.295	.135	.280	2.182	.033
Employees education diversity	.310	.142	.285	3.776	.011
Employees seniority diversity	.269	.132	.261	2.035	.046
Employees specialisation diversity	.328	.137	.325	4.205	.008

a. Dependent Variable: Bank Profit

**Source: Survey Data, 2017**

Therefore we can conclude that employees gender diversity has a positive contribution on performance of NMB Bank in Tanzania measured through Bank Profit.

The findings from this study related with argument by Kochan et. al. (2002), the widespread adoption of such training programme expanded the concept of diversity and people begin to realize and recognize demographic differences such as gender are affecting the working relationship between workers and toward their performance. Moreover, Jehn and Werner (1993) measures that diversity had a significant effect on group processes, but the nature of the effect depended on whether the diversity was in gender. Specifically, gender diversity increased constructive group processes. Last but not least, diversity- focused HR practices enhanced the positive effects of gender diversity on constructive group processes (Kochan et. al. 2002).

The findings from this study related with argument by Besides that, Hack and Lammers (2008) as they suggest that managers need to be aware that there might be gender differences regarding the relative importance assigned to distributions and

communication. This may imply different communication strategies for dealing with male and female subordinates as management tries to create an optimal environment of fairness. As a result, failure of communication among different gender may lead to unfavorable performance in an organization.

#### **4.4 The role of employees age on performance of National Microfinance Bank in Tanzania**

The study assessed the role of employees age on performance of National Microfinance Bank in Tanzania. The study assessed various the role of employees age on performance of National Microfinance Bank in Tanzania. The study employed descriptive statistics and regression analysis in order to reach into conclusions on the role of employees age on performance of National Microfinance Bank in Tanzania. Table 4.3 shows the result obtained from the field.

**Table 4. 3: The role of employees age on performance of National Microfinance Bank in Tanzania**

	% Disagree	% Neutral	% Agree	Mean	Std. Deviation
The National Microfinance Bank Limited provide equal opportunity for training and development among employees with different age categories	7	5.6	87.4	4.08	0.937
The leaders of National Microfinance Bank Limited are of different age categories	5.6	9.9	84.5	4.08	0.89
The age differences at work has been causing conflict among employees at NMB Bank Limited	8.4	16.9	74.7	3.87	1.027
The team work spirit are built at an organization despite variations of age of employees	11.2	11.3	77.5	3.92	1.079
I always have positive contribution in employees age diversity at NMB Bank Limited	11.2	8.5	80.3	3.97	1.082

**Source: Survey Data, 2017**

Table 4.3 revealed that; 87.4% of participants agree that National Microfinance Bank Limited provide equal opportunity for training and development among employees with different age categories that has a significant contribution on performance of

NMB Bank in Tanzania, 5.6% were undecided on it, 7.0% of participants disagreed on it. Since the result shows that; 87.4% of participants agreed on National Microfinance Bank Limited provide equal opportunity for training and development among employees with different age categories that has a significant contribution on performance of NMB Bank in Tanzania while 7.0% of participants disagreed on it, we can conclude that National Microfinance Bank Limited provide equal opportunity for training and development among employees with different age categories that has a significant contribution on performance of NMB Bank in Tanzania.

In addition to that the study also found that the mean score value 4.08 and standard deviation 0.937 (see table 4.3) imply that participants in average agree that National Microfinance Bank Limited provide equal opportunity for training and development among employees with different age categories that has a significant contribution on performance of NMB Bank in Tanzania.

Table 4.3 shows that; 84.5% of participants agree that leaders of National Microfinance Bank Limited are of different age categories that has a significant contribution on performance of NMB Bank in Tanzania, 9.9% were undecided on it and 5.6% of participants disagreed on it. Since the result indicates that; 84.5% of participants agreed on leaders of National Microfinance Bank Limited are of different age categories that has a significant contribution on performance of NMB Bank in Tanzania while 5.6% of participants disagreed on it, we can conclude that leaders of National Microfinance Bank Limited are of different age categories that has a significant contribution on performance of NMB Bank in Tanzania.

In addition to that the study also found that the mean score value 4.08 and standard deviation 0.890 (see table 4.2) imply that participants in average agree that leaders of National Microfinance Bank Limited are of different age categories that has a significant contribution on performance of NMB Bank in Tanzania.

Table 4.3 found that; 74.7% of participants agree that age differences at work has been causing conflict among employees at NMB Bank Limited that has a significant contribution on performance of NMB Bank in Tanzania, 16.9% were undecided on it and 8.4% of participants disagreed on it. Since the result shows that; 74.7% of participants agreed on age differences at work has been causing conflict among employees at NMB Bank Limited that has a significant contribution on performance of NMB Bank in Tanzania while 8.4% of participants disagreed on it, we can conclude that age differences at work has been causing conflict among employees at NMB Bank Limited that has a significant contribution on performance of NMB Bank in Tanzania.

In addition to that the study also found that the mean score value 3.87 and standard deviation 1.027 (see table 4.2) imply that participants in average agree that age differences at work has been causing conflict among employees at NMB Bank Limited that has a significant contribution on performance of NMB Bank in Tanzania.

Table 4.3 revealed that; 77.5% of participants agree that team work spirit are built at an organization despite variations of age of employees that has a significant contribution on performance of NMB Bank in Tanzania, 11.3% were undecided on it and 11.2% of participants disagreed on it. Since the result shows that; 77.5% of participants agreed on team work spirit are built at an organization despite variations of age of employees that has a significant contribution on performance of NMB Bank in Tanzania while 11.2% of participants disagreed on it, we can conclude that team work spirit are built at an organization despite variations of age of employees that has a significant contribution on performance of NMB Bank in Tanzania.

In addition to that the study also found that the mean score value 3.92 and standard deviation 1.079 (see table 4.2) imply that participants in average agree that team work spirit are built at an organization despite variations of age of employees that has a significant contribution on performance of NMB Bank in Tanzania.

Table 4.3 shows that; 80.3% of participants agree that staff always have positive contribution in employees age diversity at NMB Bank Limited that has a significant contribution on performance of NMB Bank in Tanzania, 11.2% were undecided on it and 11.2% of participants disagreed on it. Since the result shows that; 80.5% of participants agreed on staff always have positive contribution in employees age diversity at NMB Bank Limited that has a significant contribution on performance of NMB Bank in Tanzania while 11.2% of participants disagreed on it, we can conclude that staff always have positive contribution in employees age diversity at NMB Bank Limited that has a significant contribution on performance of NMB Bank in Tanzania.

In addition to that the study also found that the mean score value 3.97 and standard deviation 1.082 (see table 4.2) imply that participants in average agree that staff always have positive contribution in employees age diversity at NMB Bank Limited that has a significant contribution on performance of NMB Bank in Tanzania.

On the other hand the regression result shows that employees age diversity has coefficient 0.295, t-value 2.182 and p-value 0.033 (see table 4.2c) implying that employees age diversity has a positive contribution on Bank Profit and the positive contribution on Bank Profit statistically significant because the p-value is less than 0.05. Therefore we can conclude that employees age diversity has a positive contribution on performance of NMB Bank in Tanzania measured through Bank Profit.

The findings from this study related with earlier study conducted by Winnie (2008), youngsters who are their learning stage are more willing to learn new things and accept new ideas. Older people who have more life experiences are more mature and possess better problem solving skills. As an addition, the researcher also stated that the western findings suggested that the older and younger employees must come together to form coherent and viable corporate culture. These values possessed by

different age groups can complement each other in companies and it tends to achieve better firm performance. In her study result, showed that different age groups provide different values for companies and these values can complement each other which improve companies performance

#### **4.5 The influence of employees education on performance of National Microfinance Bank in Tanzania**

The study assessed the influence of employees education on performance of National Microfinance Bank in Tanzania. The study assessed various the influence of employees education on performance of National Microfinance Bank in Tanzania. The study employed descriptive statistics and regression analysis in order to reach into conclusions on the influence of employees education on performance of National Microfinance Bank in Tanzania. Table 4.4 indicate the result obtained from the field.

**Table 4. 4: The influence of employees education on performance of National Microfinance Bank in Tanzania**

	% Disagree	% Neutral	% Agree	Mean	Std. Deviation
The recruitment process and plan at National Microfinance Bank Limited is associated with education background of people	2.8	5.6	91.5	4.21	0.735
The National Microfinance Bank does not provide paid leave for employee to further their education level	8.4	12.7	78.9	3.99	1.049
The Bank provide opportunity for employees with low level of education to proceed with growth and advancement of their education process	4.2	4.2	91.5	4.23	0.831
Having employees with different education level at National Microfinance Bank does not cause conflict	11.2	9.9	78.9	3.92	1.025
When working at NMB Bank, I do experience insufficient confidence due to my education background	11.2	9.9	78.9	3.9	1.058
The National Microfinance Bank offers equal and fair treatment of employees with different education background	15.5	12.7	71.8	3.87	1.218

**Source: Survey Data, 2017**

Table 4.4 found that; 91.5% of participants agree that recruitment process and plan at National Microfinance Bank Limited is associated with education background of people that has a significant contribution on performance of NMB Bank in Tanzania, 5.6% were undecided on it, 2.8% of participants disagreed on it. Since the result shows that, 91.5% of participants agreed on recruitment process and plan at National Microfinance Bank Limited is associated with education background of people that has a significant contribution on performance of NMB Bank in Tanzania while 2.8% of participants disagreed on it, we can conclude that recruitment process and plan at National Microfinance Bank Limited is associated with education background of people that has a significant contribution on performance of NMB Bank in Tanzania.

In addition to that the study also found that the mean score value 4.21 and standard deviation 0.735 (see table 4.4) imply that participants in average agree that recruitment process and plan at National Microfinance Bank Limited is associated with education background of people that has a significant contribution on performance of NMB Bank in Tanzania.

Table 4.4 revealed that; 78.9% of participants agree that National Microfinance Bank does not provide paid leave for employee to further their education level that has a significant contribution on performance of NMB Bank in Tanzania, 12.7% were undecided on it and 8.4% of participants disagreed on it. Since the result shows that; 78.9% of participants agreed on National Microfinance Bank does not provide paid leave for employee to further their education level that has a significant contribution on performance of NMB Bank in Tanzania while 8.4% of participants disagreed on it, we can conclude that National Microfinance Bank does not provide paid leave for employee to further their education level that has a significant contribution on performance of NMB Bank in Tanzania.

In addition to that the study also found that the mean score value 3.99 and standard deviation 1.049 (see table 4.3) imply that participants in average agree that National Microfinance Bank does not provide paid leave for employee to further their

education level that has a significant contribution on performance of NMB Bank in Tanzania.

Table 4.4 revealed that; 91.3% of participants agree that bank provide opportunity for employees with low level of education to proceed with growth and advancement of their education process that has a significant contribution on performance of NMB Bank in Tanzania, 4.2% were undecided on it and 4.2% of participants disagreed on it. Since the result shows that; 91.5% of participants agreed on bank provide opportunity for employees with low level of education to proceed with growth and advancement of their education process that has a significant contribution on performance of NMB Bank in Tanzania while 4.2% of participants disagreed on it, we can conclude that bank provide opportunity for employees with low level of education to proceed with growth and advancement of their education process that has a significant contribution on performance of NMB Bank in Tanzania.

In addition to that the study also found that the mean score value 4.23 and standard deviation 0.831 (see table 4.3) imply that participants in average agree that bank provide opportunity for employees with low level of education to proceed with growth and advancement of their education process that has a significant contribution on performance of NMB Bank in Tanzania.

Table 4.4 indicates that; 78.9% of participants agree that having employees with different education level at National Microfinance Bank does not cause conflict that has a significant contribution on performance of NMB Bank in Tanzania, 9.9% were undecided on it and 11.2% of participants disagreed on it. Since the result shows that; 78.9% of participants agreed on having employees with different education level at National Microfinance Bank does not cause conflict that has a significant contribution on performance of NMB Bank in Tanzania while 11.2% of participants disagreed on it, we can conclude that having employees with different education level at National Microfinance Bank does not cause conflict that has a significant contribution on performance of NMB Bank in Tanzania.

In addition to that the study also found that the mean score value 3.92 and standard deviation 1.025 (see table 4.3) imply that participants in average agree that having employees with different education level at National Microfinance Bank does not cause conflict that has a significant contribution on performance of NMB Bank in Tanzania.

Table 4.4 shows that; 78.9% of participants agree that when working at NMB Bank, staffs do experience sufficient confidence due to their education background that has a significant contribution on performance of NMB Bank in Tanzania, 9.9% were undecided on it and 11.2% of participants disagreed on it. Since the result indicated that; 78.9% of participants agreed on when working at NMB Bank, staffs do experience sufficient confidence due to their education background that has a significant contribution on performance of NMB Bank in Tanzania while 11.2% of participants disagreed on it; we can conclude that when working at NMB Bank, staffs do experience sufficient confidence due to their education background that has a significant contribution on performance of NMB Bank in Tanzania.

In addition to that the study also found that the mean score value 3.90 and standard deviation 1.058 (see table 4.3) imply that participants in average agree that when working at NMB Bank, staffs do experience sufficient confidence due to their education background that has a significant contribution on performance of NMB Bank in Tanzania.

The study found that 71.8% of participants agree that National Microfinance Bank offers equal and fair treatment of employees with different education background that has a significant contribution on performance of NMB Bank in Tanzania, 12.7% were undecided on it and 15.5% of participants disagreed on it. Since the result indicated that; 71.8% of participants agreed on National Microfinance Bank offers equal and fair treatment of employees with different education background that has a significant contribution on performance of NMB Bank in Tanzania while 15.5% of participants disagreed on it, we can conclude that National Microfinance Bank offers

equal and fair treatment of employees with different education background that has a significant contribution on performance of NMB Bank in Tanzania.

In addition to that the study also found that the mean score value 3.87 and standard deviation 1.218 (see table 4.3) imply that participants in average agree that National Microfinance Bank offers equal and fair treatment of employees with different education background that has a significant contribution on performance of NMB Bank in Tanzania.

On the other hand the regression result shows that employees education diversity has coefficient 0.310, t-value 3.776 and p-value 0.011 (see Table 4.2c) implying that employees education diversity has a positive contribution on bank profit and the positive contribution on bank profit is statistically significant because the p-value is less than 0.05. Therefore we can conclude that employees education diversity has a positive contribution on performance of NMB Bank in Tanzania measured through bank profit.

The findings from this study related with argument that organizational leaders implement educational diversity initiatives in efforts to motivate and encourage each individual to work effectively with others so that organizational goals are achieved (Gwendolyn, 2002). A person educational background can be a significant indicator of their knowledge, skills, and capability. Furthermore, the choice of a specific educational major may reflect ones cognitive strength and personality (Holland, 1997). For instance, an individual educated in computer science can be expected to have a somewhat different cognitive disposition than an individual educated in marketing or advertising (Hambrick and Mason, 2002).

The findings from this study related with argument that in functional expertise, dissimilarity in educational background seems to have a positive impact on team performance because it fosters a broader range of cognitive skills (Cohen and Bailey, 2001). Cohen and Levinthal (2000) contend that the absorptive capacity of the

organization is likely to increase with variety in knowledge structures as reflected in diverse educational majors.

The findings from this study related with earlier study conducted by Jehn and Bezrukova (2004) observed that informational diversity, such as education and functional areas, were positively related to actual work group performances, although the relationship was mediated by task conflict. Carpenter and Fredrickson (2001) similarly reported that international experience and diverse educational background were positively related to firms global, strategic postures among top management teams.

#### **4.6 The influence of seniority diversity and specialisation diversity on performance of National Microfinance Bank in Tanzania**

The study assessed the influence of seniority diversity and specialisation diversity on performance of National Microfinance Bank in Tanzania. The study assessed various the influence of seniority diversity and specialisation diversity on performance of National Microfinance Bank in Tanzania. The study employed descriptive statistics and regression analysis in order to reach into conclusions on the influence of seniority diversity and specialisation diversity on performance of National Microfinance Bank in Tanzania.

##### **4.6.1 Influence of seniority diversity on performance of NMB in Tanzania**

The study assessed various the influence of seniority diversity on performance of National Microfinance Bank in Tanzania. Table 4.5 represents the result obtained from the field.

**Table 4. 5: The influence employees seniority diversity on performance of National Microfinance Bank in Tanzania**

	% Disagree	% Neutral	% Agree	Mean	Std. Deviation
The Bank has plan and strategies to recruit and retain staff with different seniority levels to perform banking functions	8.4	8.5	83.1	4.08	1.011
The bank has program to recruit staff with different seniority levels	16.9	12.7	70.4	3.68	1.204
The bank having staff with different seniority levels has not caused conflict at work	16.9	15.5	67.6	3.75	1.168
The employees do not feel inferior based with the seniority level they have at the bank	8.4	12.7	78.8	4.06	0.998
The employees are positive about the seniority diversity at National Microfinance Bank Limited	17	12.7	70.4	3.77	1.233

**Source: Survey Data, 2017**

Table 4.5 shows that; 83.1% of participants agree that bank has plan and strategies to recruit and retain staff with different seniority levels to perform banking functions that has a significant contribution on performance of NMB Bank in Tanzania, 8.5% were undecided on it and 8.4% of participants disagreed on it and 4.2% of participants strongly disagree on it. Since the result indicates that; 83.1% of participants agreed on bank has plan and strategies to recruit and retain staff with different seniority levels to perform banking functions that has a significant contribution on performance of NMB Bank in Tanzania while 8.4% of participants disagreed on it, we can conclude that bank has plan and strategies to recruit and retain staff with different seniority levels to perform banking functions that has a significant contribution on performance of NMB Bank in Tanzania.

In addition to that the study also found that the mean score value 4.08 and standard deviation 1.011 (see table 4.4) imply that participants in average agree that bank has plan and strategies to recruit and retain staff with different seniority levels to perform banking functions that has a significant contribution on performance of NMB Bank in Tanzania.

Table 4.5 revealed that; 70.4% of participants agree that bank has program to recruit staff with different seniority levels that has a significant contribution on performance of NMB Bank in Tanzania, 12.7% were undecided on it and 16.9% of participants disagreed on it. Since the result indicates that; 70.4% of participants agreed on that bank has program to recruit staff with different seniority levels that has a significant contribution on performance of NMB Bank in Tanzania while 16.9% of participants disagreed on it, we can conclude that bank has program to recruit staff with different seniority levels that has a significant contribution on performance of NMB Bank in Tanzania.

In addition to that the study also found that the mean score value 3.68 and standard deviation 1.204 (see table 4.5) imply that participants in average agree that bank has program to recruit staff with different seniority levels that has a significant contribution on performance of NMB Bank in Tanzania.

Table 4.5 revealed that; 67.6% of participants agree that bank having staff with different seniority levels has not caused conflict at work that has a significant contribution on performance of NMB Bank in Tanzania, 15.5% were undecided on it and 16.9% of participants disagreed on it. Since the results indicates that; 67.6% of participants agreed on that bank having staff with different seniority levels has not caused conflict at work that has a significant contribution on performance of NMB Bank in Tanzania while 16.9% of participants disagreed on it, we can conclude that bank having staff with different seniority levels has not caused conflict at work that has a significant contribution on performance of NMB Bank in Tanzania.

In addition to that the study also found that the mean score value 3.75 and standard deviation 1.168 (see table 4.4) imply that participants in average agree that bank having staff with different seniority levels has not caused conflict at work that has a significant contribution on performance of NMB Bank in Tanzania.

Table 4.5 found that; 78.8% of participants agree that employees do not feel inferior based with the seniority level they have at the bank that has a significant contribution

on performance of NMB Bank in Tanzania, 12.7% were undecided on it and 8.4% of participants disagreed on it. Since the result indicates that, 78.8% of participants agreed on that employees do not feel inferior based with the seniority level they have at the bank that has a significant contribution on performance of NMB Bank in Tanzania while 8.4% of participants disagreed on it, we can conclude that that employees do not feel inferior based with the seniority level they have at the bank that has a significant contribution on performance of NMB Bank in Tanzania.

In addition to that the study also found that the mean score value 4.06 and standard deviation 0.998 (see table 4.4) imply that participants in average agree that that employees do not feel inferior based with the seniority level they have at the bank that has a significant contribution on performance of NMB Bank in Tanzania.

Table 4.5 revealed that; 70.4% of participants agree that employees are positive about the seniority diversity at National Microfinance Bank Limited that has a significant contribution on performance of NMB Bank in Tanzania, 12.7% were undecided on it and 17.0% of participants disagreed on it. Since the results shows that; 70.4% of participants agreed on that that employees are positive about the seniority diversity at National Microfinance Bank Limited that has a significant contribution on performance of NMB Bank in Tanzania while 17.0% of participants disagreed on it, we can conclude that that employees are positive about the seniority diversity at National Microfinance Bank Limited that has a significant contribution on performance of NMB Bank in Tanzania.

In addition to that the study also found that the mean score value 3.77 and standard deviation 1.233 (see table 4.4) imply that participants in average agree that employees are positive about the seniority diversity at National Microfinance Bank Limited that has a significant contribution on performance of NMB Bank in Tanzania.

On the other hand; the regression result shows that employees seniority diversity has coefficient 0.269, t-value 2.035 and p-value 0.046 (see table 4.2c) implying that

employees seniority diversity has a positive contribution on bank profit and the positive contribution on bank profit is statistically significant because the p-value is less than 0.05. Therefore we can conclude that employees seniority diversity has a positive contribution on performance of NMB Bank in Tanzania measured through bank perceived generating more profit over years.

The findings from this study related with earlier study conducted by Omankhanlen & Joshua (2011) on the impact of workforce diversity on organizational effectiveness and observed there are significant correlation between some of the diversity variables as well as individual diversity variables with the measures of organizational effectiveness. Also it reveals that gender and ethnicity are negatively related to both employee productivity and performance bonus. In addition the study find that gender, age and seneority diversities are positively correlated and are significantly related.

#### **4.6.2 Influence of specialisation diversity on performance of NMB in Tanzania**

The study assessed various the influence of specialisation diversity on performance of National Microfinance Bank in Tanzania. Table 4.6 represents the result obtained from the field.

**Table 4. 6: The influence of employees specialisation diversity on performance of National Microfinance Bank in Tanzania**

	% Disagree	% Neutral	% Agree	Mean	Std. Deviation
The bank recruitment policy allows recruitment of staff with different specialisation	14.1	8.5	77.4	3.89	1.115
The bank provide carrier development of staff with different specialisation	12.7	12.7	74.6	3.94	1.107
The bank having employees with different specialisation does not cause any conflict at work	17	11.3	71.7	3.8	1.238
The staff are proud with their carrier in different specialisation levels at the bank	12.7	15.5	71.8	3.82	1.06
The leaders and management members of National Microfinance Bank are based employees with different specialisation	8.4	8.5	83.1	4.13	1.027

**Source: Survey Data, 2017**

Table 4.6 revealed that; 77.4% of participants agree that bank recruitment policy allows recruitment of staff with different specialisation that has a significant contribution on performance of NMB Bank in Tanzania, 8.5% were undecided on it and 8.5% of participants disagreed on it. Since the result indicates that; 77.4% of participants agreed on bank recruitment policy allows recruitment of staff with different specialisation that has a significant contribution on performance of NMB Bank in Tanzania while 14.1% of participants disagreed on it, we can conclude that bank recruitment policy allows recruitment of staff with different specialisation that has a significant contribution on performance of NMB Bank in Tanzania.

In addition to that the study also found that the mean score value 3.89 and standard deviation 1.115 (see table 4.6) imply that participants in average agree that bank recruitment policy allows recruitment of staff with different specialisation that has a significant contribution on performance of NMB Bank in Tanzania.

Table 4.6 shows that; 74.6% of participants agree that bank provide carrier development of staff with different specialisation that has a significant contribution on performance of NMB Bank in Tanzania, 12.7% were undecided on it and 12.7% of participants disagreed on it. Since the result indicates that; 74.6% of participants agreed on bank provide carrier development of staff with different specialisation that has a significant contribution on performance of NMB Bank in Tanzania while 12.7% of participants disagreed on it, we can conclude that bank provide carrier development of staff with different specialisation that has a significant contribution on performance of NMB Bank in Tanzania.

In addition to that the study also found that the mean score value 3.94 and standard deviation 1.107 (see table 4.6) imply that participants in average agree that bank provide carrier development of staff with different specialisation that has a significant contribution on performance of NMB Bank in Tanzania.

Table 4.6 found that; 71.7% of participants agree that bank having employees with different specialisation does not cause any conflict at work has a significant contribution on performance of NMB Bank in Tanzania, 11.3% were undecided on it, 17.0% of participants disagreed on it. Since result indicates that, 71.7% of participants agreed on bank having employees with different specialisation does not cause any conflict at work has a significant contribution on performance of NMB Bank in Tanzania while 17.0% of participants disagreed on it, we can conclude that bank having employees with different specialisation does not cause any conflict at work has a significant contribution on performance of NMB Bank in Tanzania.

In addition to that the study also found that the mean score value 3.80 and standard deviation 1.238 (see table 4.6) imply that participants in average agree that bank having employees with different specialisation does not cause any conflict at work has a significant contribution on performance of NMB Bank in Tanzania.

Table 4.6 shows that; 71.8% of participants agree that staff are proud with their carrier in different specialisation levels at the bank has a significant contribution on performance of NMB Bank in Tanzania, 15.5% were undecided on it and 12.7% of participants disagreed on it. Since the result shows that, 71.8% of participants agreed on staff are proud with their carrier in different specialisation levels at the bank has a significant contribution on performance of NMB Bank in Tanzania while 12.7% of participants disagreed on it we can conclude that staff are proud with their carrier in different specialisation levels at the bank has a significant contribution on performance of NMB Bank in Tanzania.

In addition to that the study also found that the mean score value 3.82 and standard deviation 1.060 (see table 4.5) imply that participants in average agree that staff are proud with their carrier in different specialisation levels at the bank has a significant contribution on performance of NMB Bank in Tanzania.

Table 4.6 revealed that; 83.1% of participants agree that leaders and management members of National Microfinance Bank are based employees with different specialisation has a significant contribution on performance of NMB Bank in Tanzania, 8.5% were undecided on it and 8.4% of participants disagreed on it. Since the results indicates that; 83.1% of participants agreed on leaders and management members of National Microfinance Bank are based employees with different specialisation has a significant contribution on performance of NMB Bank in Tanzania while 8.4% of participants disagreed on it, we can conclude that leaders and management members of National Microfinance Bank are based employees with different specialisation has a significant contribution on performance of NMB Bank in Tanzania.

In addition to that the study also found that the mean score value 4.13 and standard deviation 1.027 (see table 4.5) imply that participants in average agree that leaders and management members of National Microfinance Bank are based employees with different specialisation has a significant contribution on performance of NMB Bank in Tanzania.

On the other hand the regression result shows that employees specialisation diversity has coefficient 0.328, t-value 4.205 and p-value 0.008 (see table 4.2c) implying that employees specialisation diversity has a positive contribution on bank profit and the positive contribution on bank profit is statistically significant because the p-value is less than 0.05. Therefore we can conclude that employees specialisation diversity has a positive contribution on performance of NMB Bank in Tanzania measured through bank perceived generating more profit over years.

The findings from this study related with earlier study conducted by Ombakhanlen & Joshua (2011) on the impact of workforce diversity on organizational effectiveness and observed there are significant correlation between some of the diversity variables as well as individual diversity variables with the measures of organizational effectiveness. Also it reveals that gender and ethnicity are negatively related to both employee productivity and performance bonus. In addition the study find that gender, age and seneority diversities are positively correlated and are significantly related.

The findings from this study related with argument that workforce diversity plays significant roles in facilitating employees commitment in productivity. It is argued that promoting workforce diversity has significant impacts not only productivity but also facilitate all people regardless of their diversity contributes to performance of an organization (Baer et al, 2007). The specialisation diversity at Singapore was found to play significant roles in facilitating group performance (Choy, 2007). With globalization, european countries, diversity is considered important in human resources management and it contributes to employees satisfactions with work and performance.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Summary of the study**

The problem of narrowing the definition of workforce diversity has created researcher cover only few variables such as age, gender and ethnicity assessing their contribution on organization performance. The variables such as education diversity, seniority diversity and specialisation diversity are not adequately investigated showing its contributions for organization performance. This study was conducted for purpose of assessing impact of workforce diversity on the performance of microfinance institution in Tanzania.

The specific objectives of this study was examining the contribution of employees gender on performance of National Microfinance Bank in Tanzania, determining the role of employees age on performance of National Microfinance Bank in Tanzania, determining the influence of employees education on performance of National Microfinance Bank in Tanzania, and determine the influence of workforce diversicity (seniority diversity and specialisation diversity) on performance of National Microfinance Bank in Tanzania.

This study used two theories to link between workforce diversity and organization performance. The capability model and behavioral engineering model. The capabilities model extends the concept of core competencies, by utilizing the fit between a particular capability and an employee. The employees with different diversities tend to have different capacities that contribute to better performance of an organization. The behavior engineering model, it enables the HR professional to organize and to monitor key human resource attributes of the global organization. The model has three cells that correspond to the workplace environment (information, resources, incentives), and three cells that correspond to employee performance factors (knowledge, capacity, motives). Thus effective utilisation of

employees diversity has a greater impact in promoting employees and organization performance.

The study employed descriptive reserach design. The targeted population were 250 staff working working at Head Office in Dar es Salaam. The study employed simple randon sampling techniques and convinient non-probability sampling technique to select sample size. The sample size in this study were 71 staff working at National Microfinance Bank Head Office. The data was collected using survey questionnaire and interview. The data were analysed using content analysis, descriptive statistics and regression analysis. The researcher balanced two values which were the pursuit of scientific knowledge and the rights of those being studied to participate in the study to ensure ethical considerations.

The study found that R-square 0.355 implying that employees specialisation diversity, employees gender diversity, employees age diversity , employees seniority diversity and employees education diversity has ability to explain the bank profit by 35.5% while the remaining 64.5% are explained by other variables that were not used in this study.

The study found that the employees gender diversity has coefficient 0.241, t-value 2.186 and p-value 0.032 implying that employees gender diveristy has a positive contribution on bank profit and positive contribution on bank profit is statistically significant because the p-value is less than 0.05. Thus employees gender diversity has a positive contribution on performance of NMB Bank in Tanzania measured through bank profit.

The study revealed that employees age diversity has coefficient 0.295, t-value 2.182 and p-value 0.033 implying that employees age diveristy has a positive contribution on bank profit and the positive contribution on bank profit is statistically significant because the p-value is less than 0.05. The employees age diversity has a positive

contribution on performance of NMB Bank in Tanzania measured through bank profit.

The study observed that employees education diversity has coefficient 0.310, t-value 3.776 and p-value 0.011 implying that employees education diversity has a positive contribution on bank profit and the positive contribution on bank profit is statistically significant because the p-value is less than 0.05. The employees education diversity has a positive contribution on performance of NMB Bank in Tanzania measured through bank profit.

The study found that employees seniority diversity has coefficient 0.269, t-value 2.035 and p-value 0.046 implying that employees seniority diversity has a positive contribution on bank profit and the positive contribution on bank profit is statistically significant because the p-value is less than 0.05. The employees seniority diversity has a positive contribution on performance of NMB Bank in Tanzania measured through bank profit.

The study found that employees specialisation diversity has coefficient 0.328, t-value 4.205 and p-value 0.008 implying that employees specialisation diversity has a positive contribution on bank profit and the positive contribution on bank profit is statistically significant because the p-value is less than 0.05. The employees specialisation diversity has a positive contribution on performance of NMB Bank in Tanzania measured through bank profit.

## **5.2 Conclusion**

The study found that employees gender diversity has a positive contribution on performance of NMB Bank in Tanzania measured through bank profit over years. It is concluded that NMB Bank has to promote the gender diversities in their recruitment process in order to promote organization performance.

The study found that employees age diversity has a positive contribution on performance of NMB Bank in Tanzania measured through bank profit. It is concluded that the bank to take initiatives of employing employees with different age categories for promoting better performance of NMB bank Limited in Tanzania.

The study revealed that employees education diversity has a positive contribution on performance of NMB Bank in Tanzania measured through bank profit. Therefore, it is concluded that the NMB bank Limited has to promote more emphasize of recruiting staff with different level of education which found to play significant roles on promoting performance.

The study revealed that employees seniority diversity has a positive contribution on performance of NMB Bank in Tanzania measured through bank profit. Therefore, it is concluded that effort has to be taken to ensure NMB Bank Limited promote seniority in management of Human Resources into different positions in order to promote performance of the bank.

The study found that employees specialisation diversity has a positive contribution on performance of NMB Bank in Tanzania measured through bank profit. Therefore, it is concluded that that it is import to ensure the NMB bank Limited have staff with different specialisation in order to ensure better work done and performance of the bank.

### **5.3 Recommendations**

The study found that employees gender diversity has a positive contribution on performance of NMB Bank in Tanzania measured through bank profit. It is recommended that NMB Bank Human Resources policies has to encourage culture of workforce diversities based on gender in order to promote performance of the bank.

The study found that employees age diversity has a positive contribution on performance of NMB Bank in Tanzania measured through bank profit. It is recommended that implementation of Human Resources policy and culture of an organization should encourage employees with different age categories in order to achieve the better performance.

The study revealed that employees education diversity has a positive contribution on performance of NMB Bank in Tanzania measured through bank profit. The study recommends that it is important for NMB Bank Limited implement policies and regulations that favour work force diversity related with education variation among staff at an organization.

The study revealed that employees seniority diversity has a positive contribution on performance of NMB Bank in Tanzania measured through bank profit. The study recommends that it is useful and more beneficial for NMB Bank Limited focus of promoting the culture of seniority management and build team work spirit among staff with different seniority levels for the purposes of promoting better performance.

The study found that employees specialisation diversity has a positive contribution on performance of NMB Bank in Tanzania measured through bank profit. The study recommends that NMB bank has to develop effort of continue supporting specialisation policy among employees in performing their duties that have significant impacts on promoting performance of the bank.

#### **5.4 Areas for future study**

The study suggest study to be conducted to assess how different workforce diversities impacts on commitment of staff to provide quallity services in banking sector.

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**APPENDIX 1:  
QUESTIONNAIRE**

This questionnaire is designed to assess critical success impact of workforce diversity on organization performance. The information given out is solely for academic purpose and would be treated as confidential. Thank you.

Write or tick ( ) the appropriate response to each of the question

**SECTION A: PERSONAL DATA**

1. Sex Male [    ] Female [    ]
  
2. How long have you been working in your organization ?  
 a. <1 year [    ] b. 1 – 5 years [    ] c. 6 – 10 years [    ]  
 d. 11 – 15 years [    ] e. >15 years [    ]
  
3. Which of the qualifications below do you possess?  
 a. Secondary [    ] b. 1st Degree [    ] c. 2nd Degree [    ]  
 d. Others .....
  
4. Which section are you working at NMB Bank  
 a. Finance b.Treasury c.ICT d. Human Resources [    ]  
 e. PR & Makerting f. Others mention.....

**SECTION B: Questions related to reserach objectives**

Based on your dispositions, please indicate the most appropriate opinion/response with the scale (1) Strongly Disagree (SD), (2) Disagree (D), (3) Undecided ( U), (4) Agree (A) and (5) Strongly Agree (SA)

	1.	2.	3.	4.	5.
<b>1) Employees gender</b>					
During the recruitment process, the employees were not descriminated					

based on gender at NMB bank					
The organization always prepare good environment for attracting both male and female					
There are fair treatment for both male and female at NMB bank					
There is equal opportunity for growth and development of male and female employees at NMB bank					
There is higher encouragement for carrier development for both male and female employees at NMB bank					
Both male and female employees involves in decision making for the bank					
I am very positive on employees gender diversity at NMB bank.					
<b>2) Employees age</b>					
The National Microfinance Bank Limited provide equal opportunity for training and development among employees with different age categories					
The leaders of National Microfinance Bank Limited are of different age categories					
The age differences at work has been causing conflict among employees at NMB Bank Limited					
The team work spirit are built at an organization despite variations of age of employees					

I always have positive contribution in employees age diversity at NMB Bank Limited					
<b>3) The employees education</b>					
The recruitment process and plan at National Microfinance Bank Limited is associated with education background of people					
The National Microfinance Bank provide paid leave for employee to further their education level					
The Bank provide opportunity for employees with low level of education to proceed with growth and advancement of their education process					
Having employees with different education level at National Microfinance Bank does not cause conflict					
When working at NMB Bank, I do experience insufficient confidence due to my education background					
The National Microfinance Bank offers equal and fair treatment of employees with different education background					
<b>4) The employees seniority</b>					
The Bank has plan and strategies to recruit and retain staff with different seniority levels to perform banking functions					
The bank has program to recruit staff					

with different seniority levels					
The bank having staff with different seniority levels has not caused conflict at work					
The employees do not feel inferior based with the seniority level they have at the bank					
The employees are positive about the seniority diversity at National Microfinance Bank Limited					
<b>5) The employees specialisation</b>					
The bank recruitment policy allows recruitment of staff with different specialisation					
The bank provide carrier development of staff with different specialisation					
The bank having employees with different specialisation does not cause any conflict at work					
The staff are proud with their carrier in different specialisation levels at the bank					
The leaders and management members of National Microfinance Bank are based employees with different specialisation					
The bank provide equal and fair treatment for employees with different specialisation					

**SECTION C: Organization performance**

The questions below ask about self-perceived organization performance. Based on your experiences and understanding, please indicate the most appropriate opinion/response with the scale, (1) Strongly Disagree (SD), (2) Disagree (D), (3) Undecided ( U), (4) Agree (A) and (5) Strongly Agree (SA)

	1.	2.	3.	4.	5.
The bank perceived generating more profit over years					
The bank perceived generating more sales revenue over years					
The bank perceived generating lower costs of administration over time					

**Thanks for your cooperation**

**God bless you.**

**APPENDIX 1:**  
**INTERVIEW GUIDE**

- 1) What are the contribution of employees gender on performance of National Microfinance Bank in Tanzania?
- 2) What are the role of employees age on performance of National Microfinance Bank in Tanzania?
- 3) What are the influence of employees education on performance of National Microfinance Bank in Tanzania?
- 4) What are the influence of workforce diversicity (seniority diversity and specialisation diversity) on performance of National Microfinance Bank in Tanzania?